

STATE OF NEVADA  
GAMING CONTROL BOARD

CPA MICS COMPLIANCE CHECKLIST

**INTERNAL AUDIT**

**Client** \_\_\_\_\_ **Audit** \_\_\_\_\_ **Prepared**  
**Name:** \_\_\_\_\_ **Period:** \_\_\_\_\_ **By:** \_\_\_\_\_

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I or Group II licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's internal audit operations are in compliance with the Internal Audit Minimum Internal Control Standards.

**Note: This checklist is only to be completed if the CPA is NOT engaged to perform both the internal audit procedures required by the Minimum Internal Control Standards and the procedures required by Regulation 6.090(9).**

**Indicate licensee personnel contacted:**

Date of Inquiry	Person Interviewed	Position

**Obtain copies of internal audit findings. Examine completed documents for compliance for those Questions referring to records/documentation (denoted by underlined question numbers in bold print), recalculating where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used:**

\_\_\_\_\_ **Confirmed via examination/review**  
\_\_\_\_\_ **Confirmed via inquiry**  
\_\_\_\_\_ **Confirmed via observation**

- |   |            |           |                           |
|---|------------|-----------|---------------------------|
|   | <u>Yes</u> | <u>No</u> | <u>W/P</u><br><u>Ref.</u> |
| 1. For licensees who are not required to maintain a separate internal audit department, do personnel who are independent with respect to the departments/procedures being examined perform internal audit work? | _____      | _____     | _____                     |

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	<u>Yes</u>	<u>No</u>	<u>W/P</u> <u>Ref.</u>
<b>Indicate the job positions of the individuals performing the work:</b>			
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<b>2.</b> Is documentation (e.g., checklists, programs, reports, etc.) prepared to evidence all internal audit work performed as it relates to these requirements?	-----	-----	-----
<b>3.</b> Are the results of internal audit work reported to management or ownership personnel who are independent of the departments under audit?	-----	-----	-----
<b>4.</b> Are all material exceptions resulting from internal audit work investigated and resolved, with the results of such being documented and retained for five years?	-----	-----	-----
<b>5.</b> Whenever possible are internal audit observations performed without the employees being knowledgeable that their activities are being observed?	-----	-----	-----
<b>6.</b> Are the following reviewed at least once during every six-month period:			
a. Table games			
1) Fill and credit procedures?	-----	-----	-----
2) Pit credit play procedures?	-----	-----	-----
3) Rim credit procedures?	-----	-----	-----
4) Soft drop/count procedures and the subsequent transfer of funds?	-----	-----	-----
5) Surprise testing of count room currency counters?	-----	-----	-----
6) Location and control over sensitive keys?	-----	-----	-----
7) The tracing of source documents to summarized documentation and accounting records?	-----	-----	-----
8) Reconciliation to restricted copies?	-----	-----	-----
b. Slots			

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	<u>Yes</u>	<u>No</u>	<u>W/P</u> <u>Ref.</u>
1) Jackpot payout and slot fill procedures?	_____	_____	_____
2) Slot drop/count and subsequent transfer of funds?	_____	_____	_____
3) Currency acceptor drop/count and subsequent transfer of funds?	_____	_____	_____
4) Surprise testing of weigh scale and weigh scale interface?	_____	_____	_____
5) Surprise testing of count room currency counters?	_____	_____	_____
6) Slot machine drop cabinet access?	_____	_____	_____
7) Tracing of source documents to summarized documentation and accounting records?	_____	_____	_____
8) Reconciliation to restricted copies?	_____	_____	_____
9) Location and control over sensitive keys?	_____	_____	_____
10) Compliance with EPROM duplication procedures?	_____	_____	_____
<b>7. Are the following reviewed at least annually:</b>			
a. Keno			
1) Game write and payout procedures?	_____	_____	_____
2) Sensitive key location and control?	_____	_____	_____
3) Review of keno auditing procedures?	_____	_____	_____
b. Card games			
1) Card games operation?	_____	_____	_____
2) Monetary exchange procedures?	_____	_____	_____
3) Shill transactions?	_____	_____	_____
4) Count procedures?	_____	_____	_____
c. Bingo			

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	<u>Yes</u>	<u>No</u>	<u>W/P</u> <u>Ref.</u>
1) Bingo card control?	_____	_____	_____
2) Payout procedures?	_____	_____	_____
3) Cash reconciliation process?	_____	_____	_____
d. Entertainment			
1) Procedures for initial recording of entertainment revenue?	_____	_____	_____
2) Cash turn-in procedures?	_____	_____	_____
3) Accounting procedures?	_____	_____	_____
4) Package program allocations?	_____	_____	_____
e. Race and sports book			
1) Write and payout procedures?	_____	_____	_____
2) Sensitive key location and control?	_____	_____	_____
3) Race and sports book auditing procedures?	_____	_____	_____
4) Compliance with Regulation 22?	_____	_____	_____
f. Pari-mutuel wagering			
1) Write and payout procedures?	_____	_____	_____
2) Pari-mutuel auditing procedures?	_____	_____	_____
3) Compliance with Regulations 26A and 26B?	_____	_____	_____
g. Cage and credit procedures			
1) All cage, credit, and collection procedures?	_____	_____	_____
2) Reconciliation of trial balances to physical instruments on a sample basis?	_____	_____	_____
3) Reconciliation of cage accountability to the general ledger?	_____	_____	_____
h. Electronic data processing functions - review for compliance with EDP MICS?	_____	_____	_____

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	<u>Yes</u>	<u>No</u>	<u>W/P Ref.</u>
<b>8.</b> At least annually, is gross revenue reconciled from the accounting records to the monthly NGC tax returns?	_____	_____	_____
<b>9.</b> Are branch offices having average total account balances of \$200,000 or more visited and reviewed at least biennially?	_____	_____	_____
<b>10.</b> Does the review in Question 9 include all credit and collection procedures, and the reconciliation of physical instruments to the listing maintained by the licensee of transfers to/from the branch office?	_____	_____	_____
<b>11.</b> In addition to the observation and examinations performed under Questions 6, 7, 9 and 10 above, are follow-up observations and examinations performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the Board and/or the independent accountant?	_____	_____	_____
<b>12.</b> Is the verification discussed in Question 11 performed within six months following the date of notification?	_____	_____	_____
<b>13.</b> At least annually does the internal audit staff test for compliance with Regulations 3.100, 5.160, 6.040, 6.050, 6.115, 6.130, 6.150, and 8.130?	_____	_____	_____

***Other Procedures***

The Minimum Internal Control Standards allow the Board to publish checklists, programs and guidelines as a supplement to the internal audit standards. If such supplements are adopted, the following must be answered:

<b>14.</b> Are the internal audit procedures performed in compliance with the checklists, programs and guidelines published by the Board as a supplement to the internal audit standards?	_____	_____	_____
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